UIC - I - 5

H2S CONTINGENCY PLAN

DATE: _____

Chavez, Carl J, EMNRD

From: Gibson, Dan [dgibson@keyenergy.com]
Sent: Tuesday, July 27, 2010 2:32 PM
To: Chavez, Carl J, EMNRD
Subject: RE: Key Energy Services, L.L.C. UICI-005 H2S Contingency Plan Review

Understood. Thanks.

Daniel K. Gibson, P.G. | **Key Energy Services, Inc.** | Corporate Environmental Director
6 Desta Drive, Suite 4400, Midland, TX 79705| **o:** 432.571.7536 | **c:** 432.638-6134 | **e: dgibson@keyenergy.com**

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Tuesday, July 27, 2010 3:27 PM
To: Gibson, Dan
Cc: VonGonten, Glenn, EMNRD
Subject: Key Energy Services, L.L.C. UICI-005 H2S Contingency Plan Review

Mr. Gibson:

The Oil Conservation Division (OCD) is in receipt of your H2S Sampling and conclusion under 19.15.11.8(B) NMAC that no further action is required at this time.

The OCD has reviewed the submittal with testing and notices that wastes brought to the facility may vary depending on the type or source of oilfield exempt and non-exempt wastes; however, based on one sampling event with Drager tubes, [H2S] did not exceed 100 ppm. The OCD concurs with Key at this time. If conditions change, the H2S Regulations must be adhered to by Key.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: http://www.emnrd.state.nm.us/ocd/index.htm
(Pollution Prevention Guidance is under "Publications")

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, July 27, 2010 2:27 PM
To: 'Dan Gibson'
Cc: VonGonten, Glenn, EMNRD
Subject: Key Energy Services, L.L.C. UICI-005 H2S Contingency Plan Review

Mr. Gibson:

The Oil Conservation Division (OCD) is in receipt of your H2S Sampling and conclusion under 19.15.11.8(B) NMAC that no further action is required at this time.

The OCD has reviewed the submittal with testing and notices that wastes brought to the facility may vary depending on the type or source of oilfield exempt and non-exempt wastes; however, based on one sampling event with Drager tubes, [H2S] did not exceed 100 ppm. The OCD concurs with Key at this time. If conditions change, the H2S Regulations must be adhered to by Key.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: http://www.emnrd.state.nm.us/ocd/index.htm
(Pollution Prevention Guidance is under "Publications")

Key Energy Services
6 Desta Drive
Suite 4400
Midland, Texas 79705

Telephone: 432.620.0300
Facsimile: 432.571.7173
www.keyenergy.com

July 20, 2010

Mr. Daniel Sanchez- Enforcement and Compliance Manager
Mr. Glenn vonGonten-Acting Bureau Chief
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Subject: Key Energy Services-Farmington Operations
Permits UIC-5 and NM1-9

Reference: H2S Sampling

Dear Mr. Sanchez and Mr. vonGonten:

Please find attached the results of sampling events conducted at the Key Energy Services operations in Farmington NM. The sampling was conducted pursuant to OCD rule 19.15.11 "Hydrogen Sulfide Gas" as requested by OCD during the May 06, 2010 meeting.

Sampling consisted of testing the headspace in all on-site tanks that contained wastewater; in addition, liquid samples were collected at the injection pump inlet. The results show there were no H2S readings greater than 100 ppm, in fact it was mostly non-detect, i.e. less than 1 ppm.

Pursuant to 19.15.11.8.B NMAC no further action is required at this time.

Sincerely,

Daniel K. Gibson, P.G.
Corporate Environmental Director

cc: Carl Chavez-OCD
Mikal Altomare-OCD Attorney
Brad Jones-OCD
Wayne Price-Price LLC

envirotech

June 8, 2010 Client No. 98065-0014

Mr. Wayne Price
Key Energy Services
26 Road 3720
Farmington, New Mexico 87401 Phone: (505) 327-4935

RE: H2S MONITORING AT CROUCH MESA FACILITY, FARMINGTON, NEW MEXICO

Dear Mr. Price,

Envirotech, Inc. has completed H_2S monitoring for ten (10) above ground storage tanks (ASTs) at the Crouch Mesa Facility located at 26 Road 3720, Farmington, New Mexico.

Monitoring activities were completed using "Dräger" tubes. As evidenced in the enclosed ***Site Photography***, no color change was noted; therefore, it was determined that H_2S was not present.

We appreciate the opportunity to be of service. If you have questions or require additional information, please contact our office at (505) 632-0615.

Respectfully Submitted,
ENVIROTECH, INC.

Greg Crabtree, PE
Project Engineer/Manager
gcrabtree@envirotech-inc.com

Enclosure: Site Photography

Cc: Client File No. 98065

H2S MONITORING
KEY ENERGY SERVICES
CROUCH MESA FACILITY
FARMINGTON, NEW MEXICO
PROJECT NO. 98065-0014

Photo 1: Overview of Tanks to be Monitored (View 1)

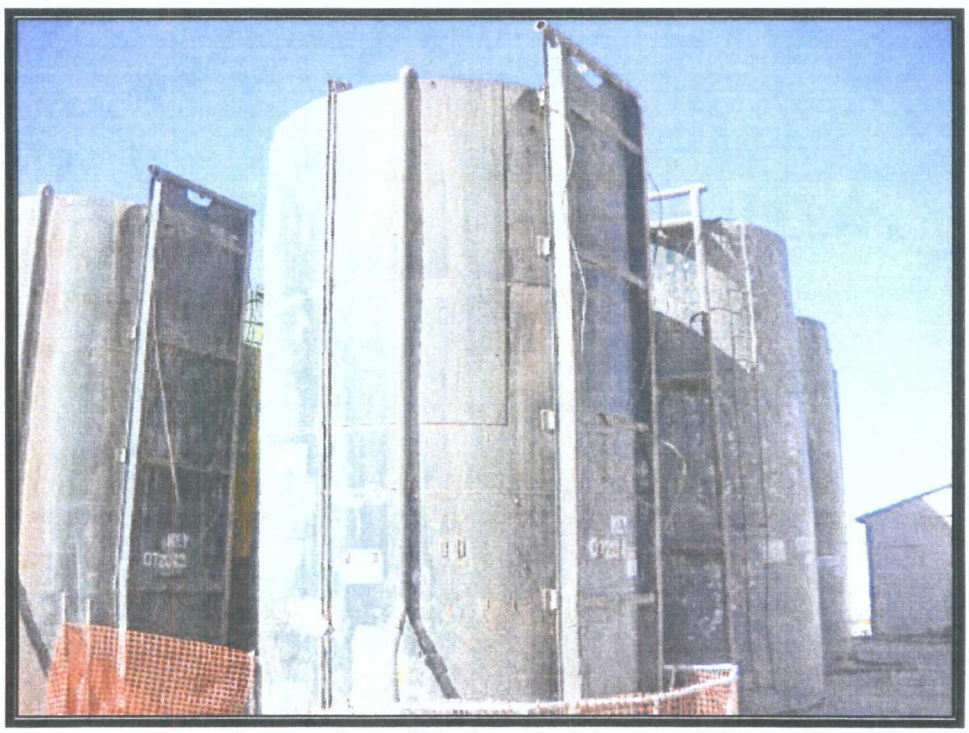

Photo 2: Overview of Tanks to be Monitored (View 2)

H2S MONITORING
KEY ENERGY SERVICES
CROUCH MESA FACILITY
FARMINGTON, NEW MEXICO
PROJECT NO. 98065-0014

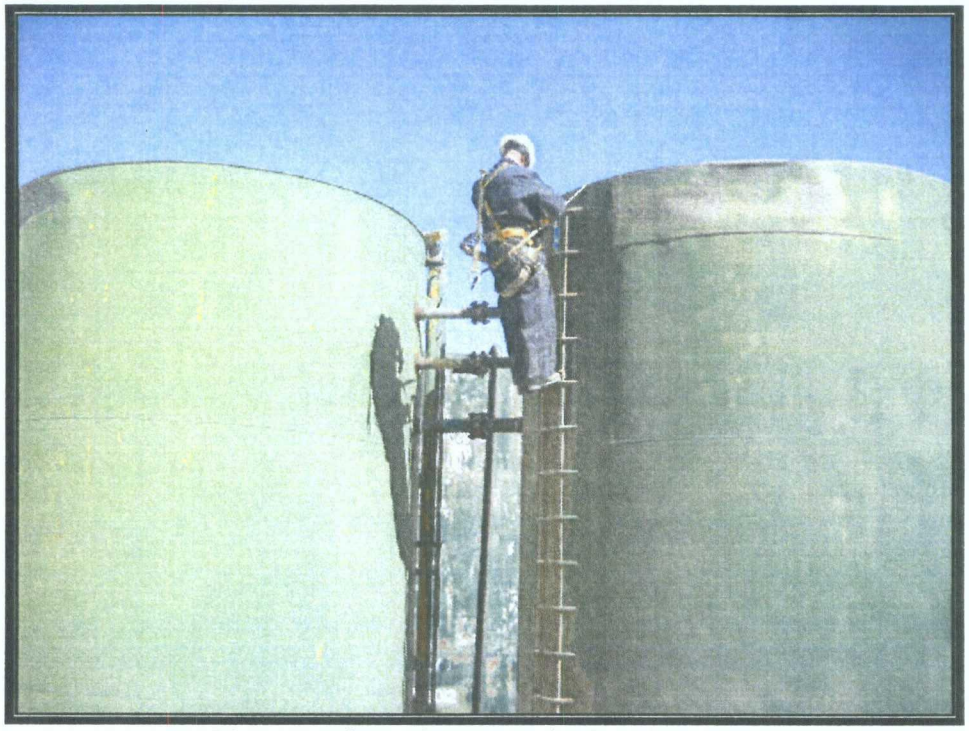

Photo 3: View of H_2S Monitoring Activities

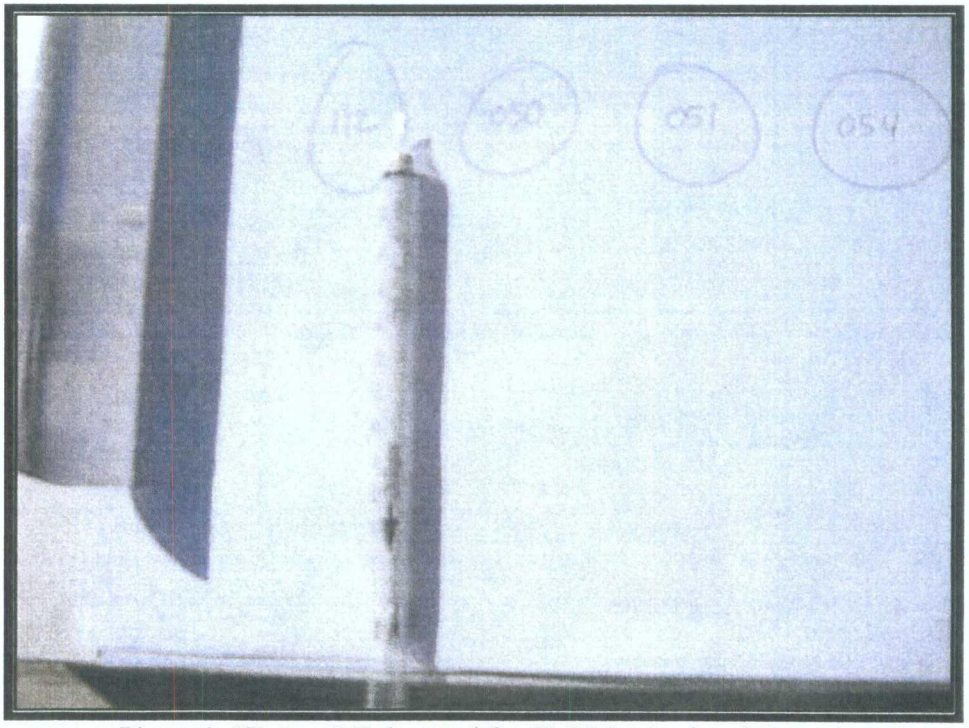

Photo 4: "Dräger" Tube used for H_2S Monitoring (View 1)

H2S MONITORING
KEY ENERGY SERVICES
CROUCH MESA FACILITY
FARMINGTON, NEW MEXICO
PROJECT NO. 98065-0014

Photo 5: "Dräger" Tube used for H_2S Monitoring (View 2)

Photo 6: "Dräger" Tube used for H_2S Monitoring (View 3)

H2S MONITORING
KEY ENERGY SERVICES
CROUCH MESA FACILITY
FARMINGTON, NEW MEXICO
PROJECT NO. 98065-0014

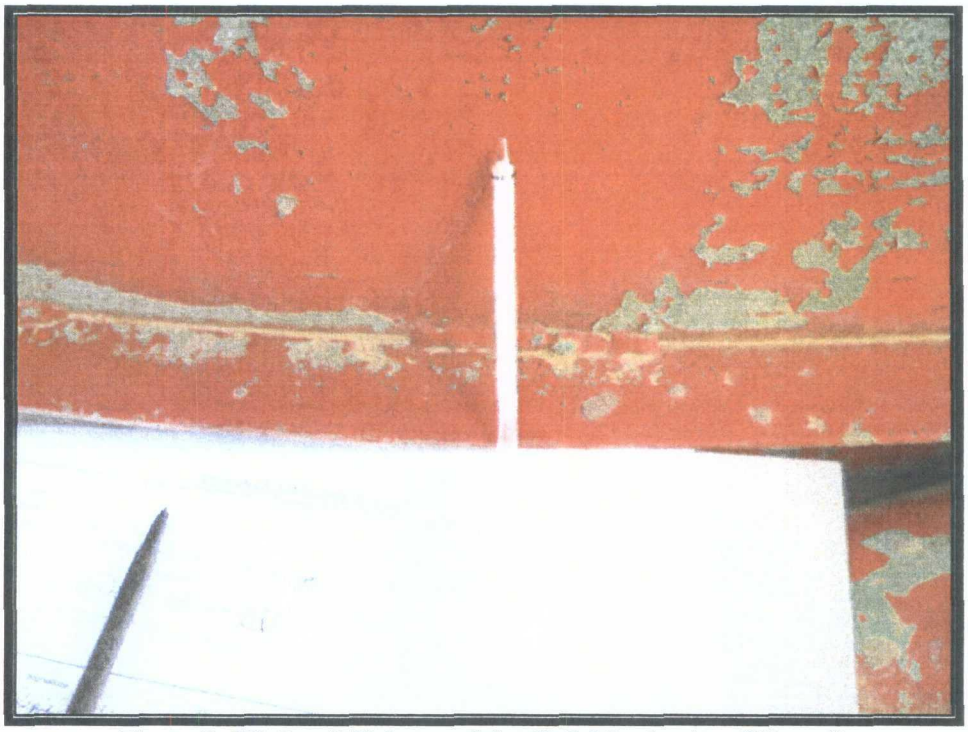

Photo 7: "Dräger" Tube used for H_2S Monitoring (View 4)

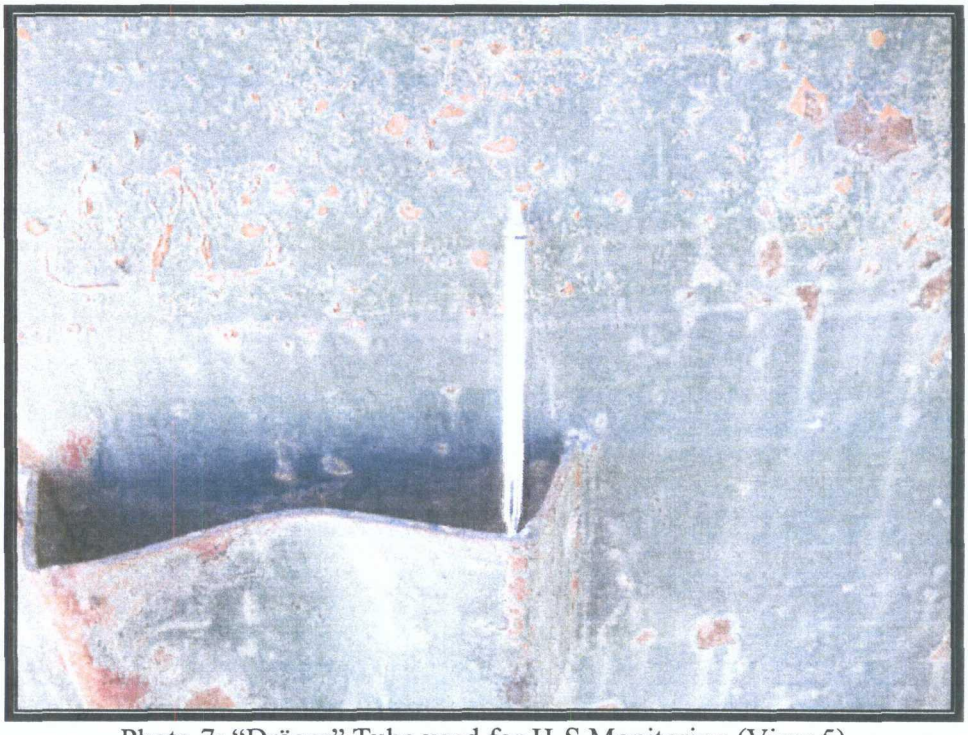

Photo 7: "Dräger" Tube used for H_2S Monitoring (View 5)

H2S MONITORING
KEY ENERGY SERVICES
CROUCH MESA FACILITY
FARMINGTON, NEW MEXICO
PROJECT NO. 98065-0014

Photo 7: "Dräger" Tube used for H_2S Monitoring (View 6)

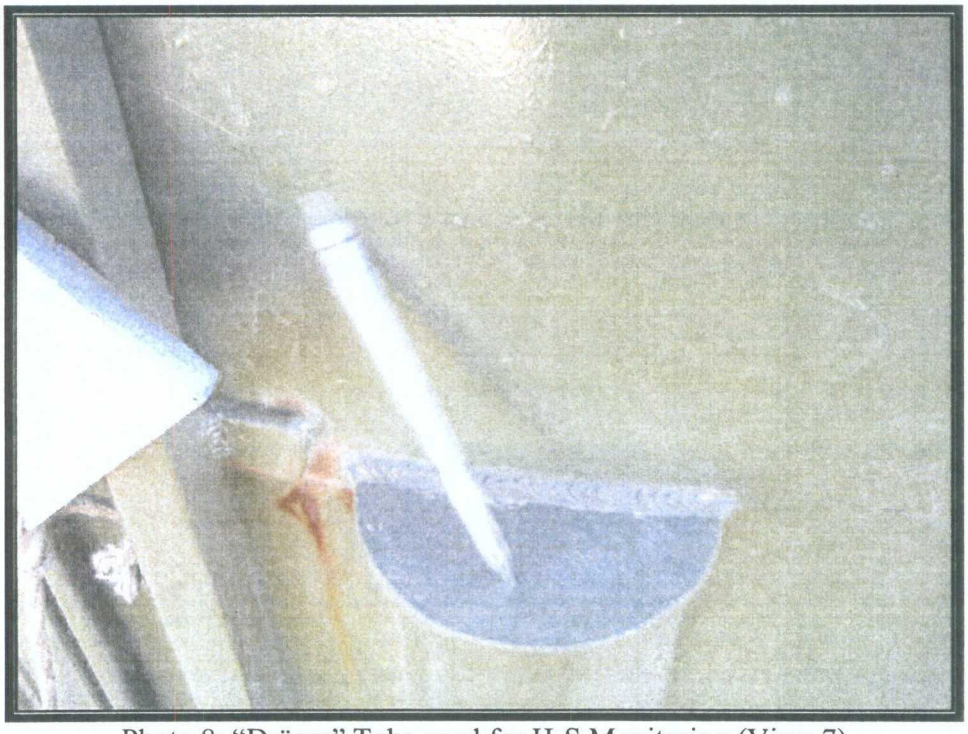

Photo 8: "Dräger" Tube used for H_2S Monitoring (View 7)

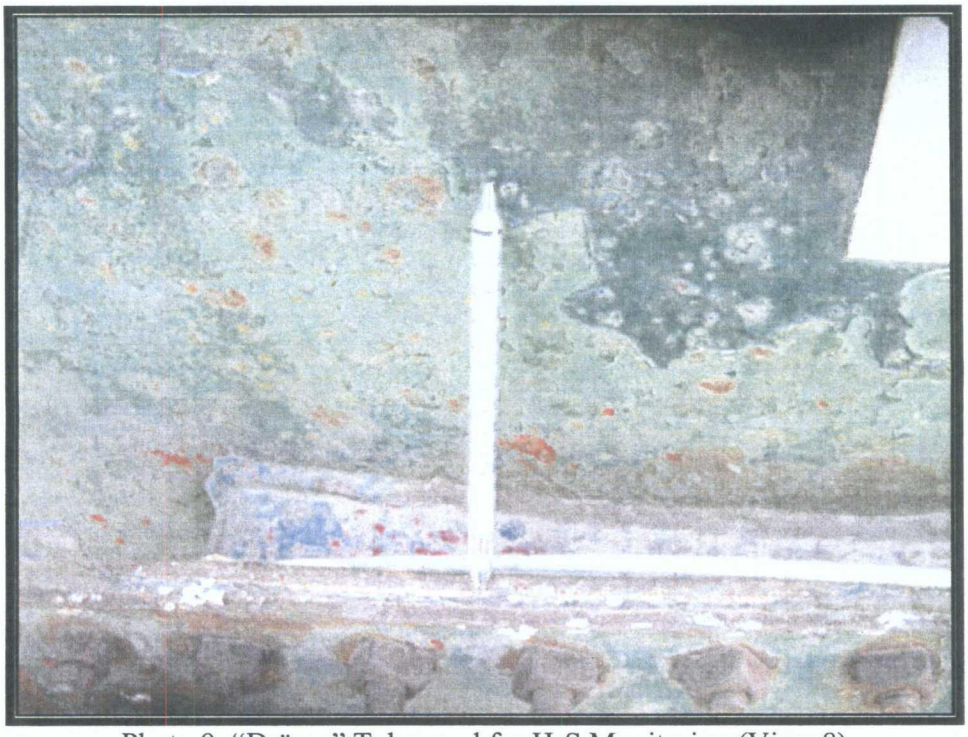

Photo 9: "Dräger" Tube used for H_2S Monitoring (View 8)

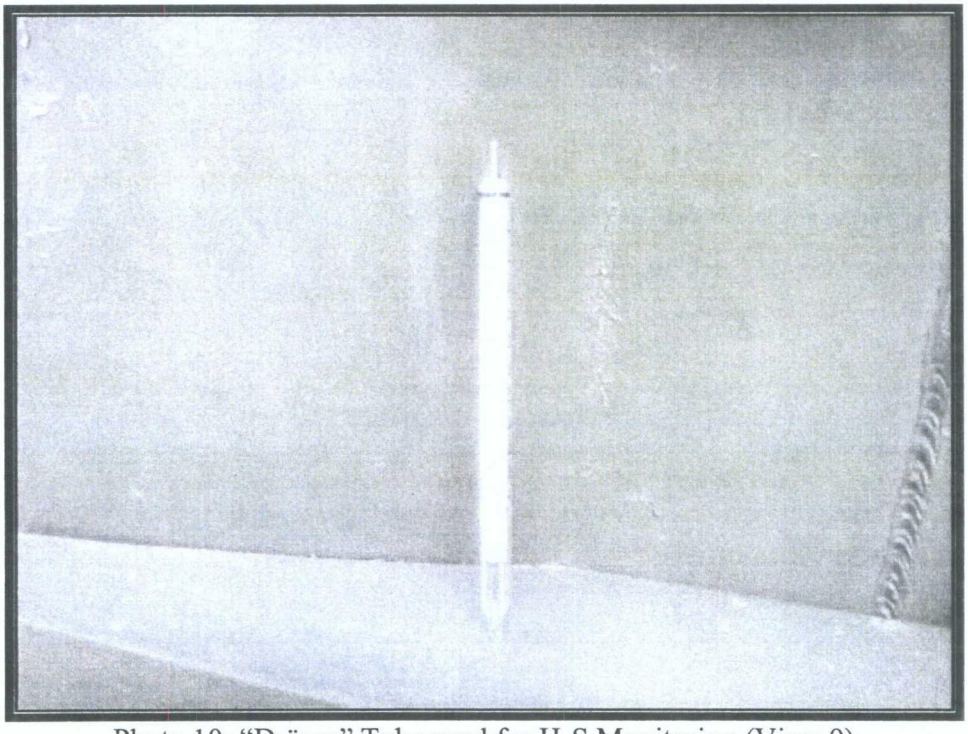

Photo 10: "Dräger" Tube used for H_2S Monitoring (View 9)

H2S MONITORING
KEY ENERGY SERVICES
CROUCH MESA FACILITY
FARMINGTON, NEW MEXICO
PROJECT NO. 98065-0014

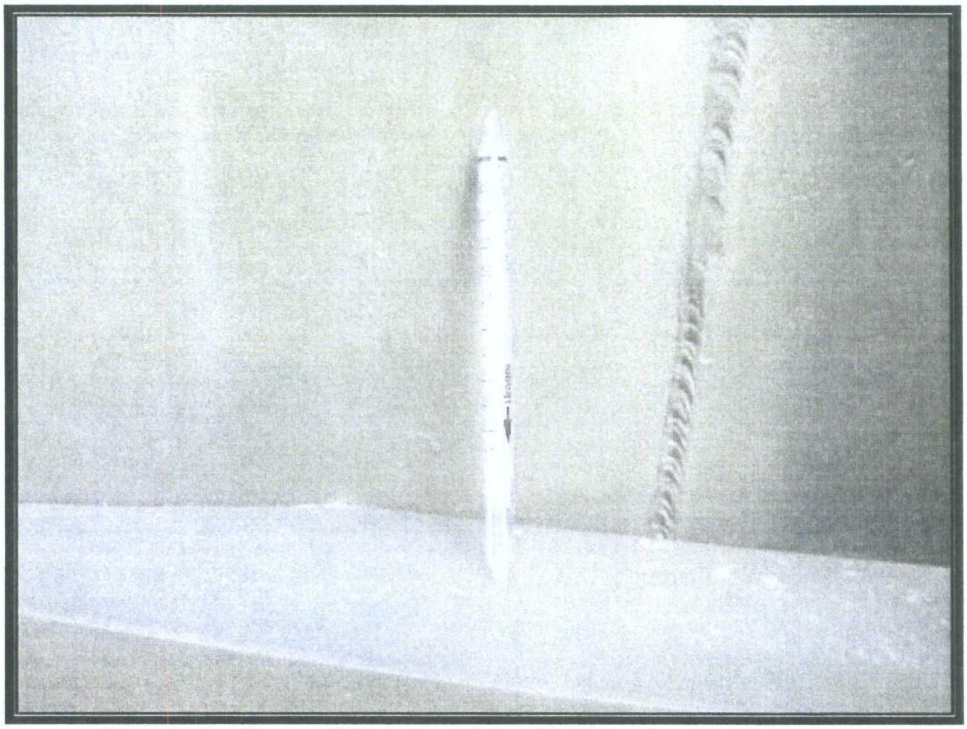

Photo 11: "Dräger" Tube used for H_2S Monitoring (View 10)

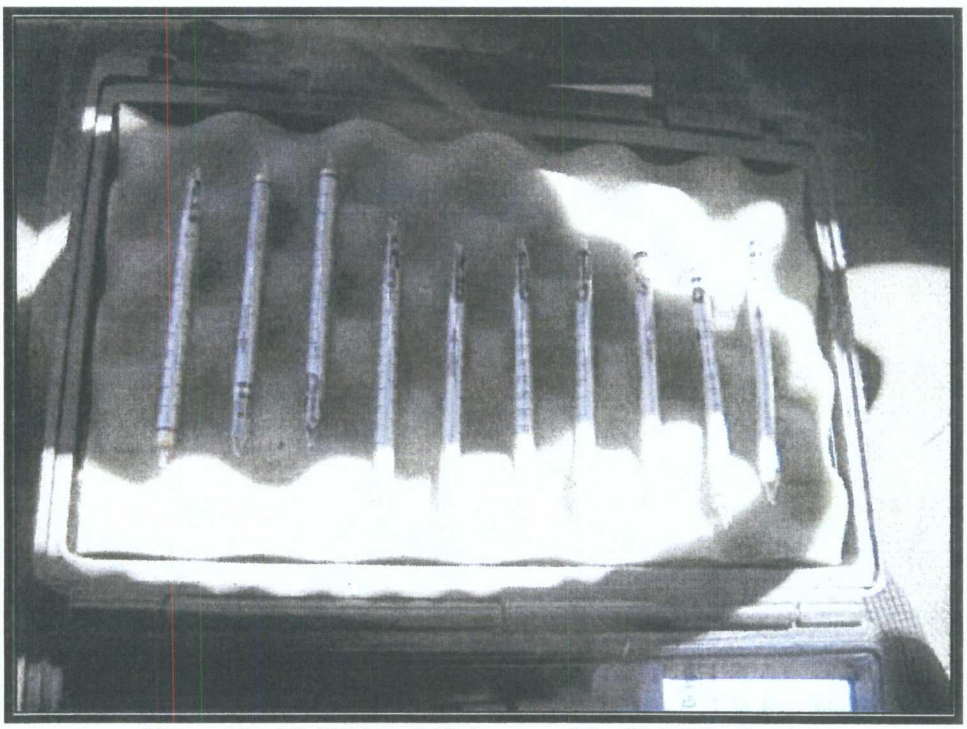

Photo 12: All "Dräger" Tubes used for H_2S Monitoring

TRACEANALYSIS, INC.

6701 Aberdeen Avenue, Suite 9 | Lubbock, Texas 79424 | 800•378•1296 | 806•794•1296 | FAX 806•794•1298
2501 East Sunset Road, Suite E | El Paso, Texas 79922 | 888•588•3443 | 915•585•3443 | FAX 915•585•4944
5002 Basin Street, Suite A1 | Midland Texas 79703 | | 432•689•6301 | FAX 432•689•6313
6015 Harris Parkway, Suite 110 | Ft. Worth, Texas 76132 | | 817•201•5260 |
E-Mail: lab@traceanalysis.com

Certifications

WBENC: 237019 **HUB:** 1752439743100-86536 **DBE:** VN 20657
NCTRCA WFWB38444Y0909

NELAP Certifications

Lubbock: T104704219-08-TX LELAP-02003 Kansas E-10317 **El Paso:** T104704221-08-TX LELAP-02002 **Midland:** T104704392-08-TX

Analytical and Quality Control Report

Wayne Price
Key Energy Services-Farmington, NM

P.O. Box 900
Farmington, NM, 87401

Report Date: May 27, 2010

Work Order: 10052708

COC #: 1-KEY-UIC-5
Project Location: Crouch Mesa Waste Disposal, Farmington, NM
Project Name: H2S Sampling
Project Number: KEY UIC-5 H2S

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis, Inc.

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
232946	Inj. Water Preserved	water	2010-05-26	11:45	2010-05-27
232947	Inj. Water Non-Preserved	water	2010-05-26	11:46	2010-05-27

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed.

Notes:
For inorganic analyses, the term MQL should actually read PQL.

Standard Flags

U - Not detected. The analyte is not detected above the SDL.

J - Estimated. The analyte is positively identified and the value is approximated between the SDL and MQL.

B - The sample contains less than ten times the concentration found in the method blank.

JB - The analyte is positively identified and the value is approximated between the SDL and MQL.
The sample contains less than ten times the concentration found in the method blank.
The result should be considered non-detect to the SDL.

Michael Abel

Dr. Blair Leftwich, Director
Dr. Michael Abel, Project Manager

Case Narrative

Samples for project H2S Sampling were received by TraceAnalysis, Inc. on 2010-05-27 and assigned to work order 10052708. Samples for work order 10052708 were received intact at a temperature of 2.8 C.

Samples were analyzed for the following tests using their respective methods.

Test	Method	Prep Batch	Prep Date	QC Batch	Analysis Date
Sulfide	SM 4500-S2 D	60329	2010-05-27 at 14:28	70454	2010-05-27 at 14:29

Results for these samples are reported on a wet weight basis unless data package indicates otherwise.

A matrix spike (MS) and matrix spike duplicate (MSD) sample is chosen at random from each preparation batch. The MS and MSD will indicate if a site specific matrix problem is occurring, however, it may not pertain to the samples for work order 10052708 since the sample was chosen at random. Therefore, the validity of the analytical data reported has been determined by the laboratory control sample (LCS) and the method blank (MB). These quality control measures are performed with each preparation batch to ensure data integrity.

All other exceptions associated with this report have been footnoted on the appropriate analytical page to assist in general data comprehension. Please contact the laboratory directly if there are any questions regarding this project.

Analytical Report

Sample: 232946 - Inj. Water Preserved

Laboratory:	Lubbock				
Analysis:	Sulfide	Analytical Method:	SM 4500-S2 D	Prep Method:	N/A
QC Batch:	70454	Date Analyzed:	2010-05-27	Analyzed By:	AH
Prep Batch:	60329	Sample Preparation:	2010-05-27	Prepared By:	CB

Parameter	Flag	SDL Based Result	MQL Based Result	Method Blank Result	Units	Dilution	SDL	MQL (Unadjusted)	MDL (Unadjusted)
Sulfide	J	**0.0414**	<0.100	<0.00687	mg/L	1	0.00687	0.1	0.00687

Sample: 232947 - Inj. Water Non-Preserved

Laboratory:	Lubbock				
Analysis:	Sulfide	Analytical Method:	SM 4500-S2 D	Prep Method:	N/A
QC Batch:	70454	Date Analyzed:	2010-05-27	Analyzed By:	AH
Prep Batch:	60329	Sample Preparation:	2010-05-27	Prepared By:	CB

Parameter	Flag	SDL Based Result	MQL Based Result	Method Blank Result	Units	Dilution	SDL	MQL (Unadjusted)	MDL (Unadjusted)
Sulfide	J	**0.0952**	<0.100	<0.00687	mg/L	1	0.00687	0.1	0.00687

Method Blank (1)

QC Batch:	70454	Date Analyzed:	2010-05-27	Analyzed By:	AH
Prep Batch:	60329	QC Preparation:	2010-05-27	Prepared By:	AH

Parameter	Flag	Result	Units	Reporting Limits
Sulfide		<0.00687	mg/L	0.00687

Matrix Spike (MS-1) Spiked Sample: 232947

QC Batch:	70454	Date Analyzed:	2010-05-27	Analyzed By:	AH
Prep Batch:	60329	QC Preparation:	2010-05-27	Prepared By:	AH

Param		MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Sulfide	[1]	0.0702	mg/L	1	0.400	0.0952	-6	10 - 159

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

[1] Matrix spike recovery out of control limits due to matrix interference. Use LCS/LCSD to demonstrate analysis is under control.

Param		MSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit	RPD	RPD Limit
Sulfide	[2]	0.0725	mg/L	1	0.400	0.0952	-4	10 - 159	3	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Standard (ICV-1)

QC Batch: 70454 Date Analyzed: 2010-05-27 Analyzed By: AH

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Sulfide		mg/L	0.400	0.375	94	85 - 115	2010-05-27

Standard (CCV-1)

QC Batch: 70454 Date Analyzed: 2010-05-27 Analyzed By: AH

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Sulfide		mg/L	0.400	0.381	95	85 - 115	2010-05-27

[2]Matrix spike recovery out of control limits due to matrix interference. Use LCS/LCSD to demonstrate analysis is under control.

LAB Order ID # KEY UIC-5 H2S COC # 1-KEY-UIC-5 Page 1 of 1

100052708 **TraceAnalysis, Inc.**

email: lab@traceanalysis.com

6701 Aberdeen Avenue, Suite 9, Lubbock, Texas 79424, Tel (806) 794-1296, Fax (806) 794-1298, 1 (800) 378-1296
5002 Basin Street, Suite A1, Midland, Texas 79703, Tel (432) 689-6301, Fax (432) 689-6313
200 East Sunset Rd., Suite E, El Paso, Texas 79922, Tel (915) 585-3443, Fax (915) 585-4944, 1 (888) 588-3443
BioAquatic Testing, 2501 Mayes Rd., Ste 100, Carrollton, Texas 75006, Tel (972) 242-7750

Company Name:	KEY ENERGY SERVICES	Phone #:	505-715-2809
Address: (Street, City, Zip)	PO BOX 900 FARMINGTON NM	Fax #:	
Contact Person:	WAYNE PRICE - PRICE LLC	E-mail:	WAYNEPRICE77@EARTHLINK.NET
Invoice to: (If different from above)	KEY ENERGY SERVICES INC - PO BOX 900 FARMINGTON NM 87401		
Project #:	KEY UIC-5 H2S	Project Name:	H2S SAMPLING
Project Location (including state):	CROUCH MESA WASTE DISPOSAL - FARMINGTON NM 87401	Sampler Signature:	WAYNE PRICE

ANALYSIS REQUEST (Circle or Specify Method No.)

LAB # (LAB USE ONLY)	FIELD CODE	# CONTAINERS	Volume / Amount	MATRIX: WATER	SOIL	AIR	SLUDGE	PRESERVATIVE METHOD: HCl	HNO_3	H_2SO_4	NaOH	ICE	NONE	Zn Ac	SAMPLING: DATE	TIME
232946	INJ-WATER preserved	1	250	X								X		X	5/26/10	11:45 AM
947	" " non-preserved	1	250	X								X	X		5/26/10	11:46 AM

	MTBE 8021 / 602 / 8260 / 624	BTEX 8021 / 602 / 8260 / 624	TPH 418.1 / TX1005 / TX1005 Ext(C35)	TPH 8015 GRO / DRO / TVHC	PAH 8270 / 625	Total Metals Ag As Ba Cd Cr Pb Se Hg 6010/200.7	TCLP Metals Ag As Ba Cd Cr Pb Se Hg	TCLP Volatiles	TCLP Semi Volatiles	TCLP Pesticides	RCI	GC/MS Vol. 8260 / 624	GC/MS Semi. Vol. 8270 / 625	PCB's 8082 / 608	Pesticides 8081 / 608	BOD, TSS, pH	Moisture Content	Cl, Fl, SO4, NO3, NO2, Alkalinity	Na, Ca, Mg, K, TDS, EC	Sulfide		Turn Around Time if different from standard	Hold
																				X			
																				X			

Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	
Wayne Price	PRICE-LLC	5/26/10	1:30 PM					INST ____ °C OBS ____ °C COR ____ °C
Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	
								INST ____ °C OBS ____ °C COR ____ °C
Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	
				Carol Fox	Trace	5-27-10	8:30 AM	INST IR °C OBS 2.4 °C COR 2.8 °C

LAB USE ONLY

Intact (Y) N

Headspace Y / N (NA)

Log-in-Review MK

REMARKS:

KEY UIC-5 INJECTION WATER - COLLECTED FROM HC PRESS INJ PUMP DISCHARGE

- ☐ Dry Weight Basis Required
- ☐ TRRP Report Required
- ☐ Check If Special Reporting Limits Are Needed

Submittal of samples constitutes agreement to Terms and Conditions listed on reverse side of C. O. C.

Carrier # Fed 7935 3525 7282

ORIGINAL COPY

TraceAnalysis, Inc.

6701 Aberdeen Avenue, Suite 9 Lubbock, Texas 79424 800•378•1296 806•794•1296 FAX 806•794•1298
200 East Sunset Road, Suite E El Paso, Texas 79922 888•588•3443 915•585•3443 FAX 915•585•4944
5002 Basin Street, Suite A1 Midland, Texas 79703 432•689•6301 FAX 432•689•6313
6015 Harris Parkway, Suite 110 Ft. Worth, Texas 76132 817•201•5260
E-Mail: lab@traceanalysis.com

Certifications

WBENC: 237019 **HUB:** 1752439743100-86536 **DBE:** VN 20657
NCTRCA WFWB38444Y0909

NELAP Certifications

Lubbock: T104704219-08-TX
LELAP-02003
Kansas E-10317

El Paso: T104704221-08-TX
LELAP-02002

Midland: T104704392-08-TX

Analytical and Quality Control Report

Wayne Price
Key Energy Services-Farmington, NM

P.O. Box 900
Farmington, NM, 87401

Report Date: July 19, 2010

Work Order: 10070930

COC #: Key-07-8-10
Project Location: Farmington, NM
Project Name: Inj. Water
Project Number: H2S Check

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis, Inc.

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
237175	Inj. Water (non-preserved)	water	2010-07-08	14:40	2010-07-09
237287	Inj. Water (preserved)	water	2010-07-08	14:40	2010-07-09

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed.

Notes:
For inorganic analyses, the term MQL should actually read PQL.

Standard Flags

U - Not detected. The analyte is not detected above the SDL.
J - Estimated. The analyte is positively identified and the value is approximated between the SDL and MQL.
B - The sample contains less than ten times the concentration found in the method blank.
JB - The analyte is positively identified and the value is approximated between the SDL and MQL.
The sample contains less than ten times the concentration found in the method blank.
The result should be considered non-detect to the SDL.

Michael Abel

Dr. Blair Leftwich, Director
Dr. Michael Abel, Project Manager

Case Narrative

Samples for project Inj. Water were received by TraceAnalysis, Inc. on 2010-07-09 and assigned to work order 10070930. Samples for work order 10070930 were received intact at a temperature of 3.8 C.

Samples were analyzed for the following tests using their respective methods.

Test	Method	Prep Batch	Prep Date	QC Batch	Analysis Date
Sulfide	SM 4500-S2 D	61540	2010-07-14 at 09:00	71822	2010-07-14 at 10:00

Results for these samples are reported on a wet weight basis unless data package indicates otherwise.

A matrix spike (MS) and matrix spike duplicate (MSD) sample is chosen at random from each preparation batch. The MS and MSD will indicate if a site specific matrix problem is occurring, however, it may not pertain to the samples for work order 10070930 since the sample was chosen at random. Therefore, the validity of the analytical data reported has been determined by the laboratory control sample (LCS) and the method blank (MB). These quality control measures are performed with each preparation batch to ensure data integrity.

All other exceptions associated with this report have been footnoted on the appropriate analytical page to assist in general data comprehension. Please contact the laboratory directly if there are any questions regarding this project.

Analytical Report

Sample: 237175 - Inj. Water (non-preserved)

Laboratory:	Lubbock				
Analysis:	Sulfide	Analytical Method:	SM 4500-S2 D	Prep Method:	N/A
QC Batch:	71822	Date Analyzed:	2010-07-14	Analyzed By:	AH
Prep Batch:	61540	Sample Preparation:	2010-07-14	Prepared By:	AH

Parameter	Flag	SDL Based Result	MQL Based Result	Method Blank Result	Units	Dilution	SDL	MQL (Unadjusted)	MDL (Unadjusted)
Sulfide	U	<0.00687	<0.100	<0.00687	mg/L	1	0.00687	0.1	0.00687

Sample: 237287 - Inj. Water (preserved)

Laboratory:	Lubbock				
Analysis:	Sulfide	Analytical Method:	SM 4500-S2 D	Prep Method:	N/A
QC Batch:	71822	Date Analyzed:	2010-07-14	Analyzed By:	AH
Prep Batch:	61540	Sample Preparation:	2010-07-14	Prepared By:	AH

Parameter	Flag	SDL Based Result	MQL Based Result	Method Blank Result	Units	Dilution	SDL	MQL (Unadjusted)	MDL (Unadjusted)
Sulfide	U	<0.00687	<0.100	<0.00687	mg/L	1	0.00687	0.1	0.00687

Method Blank (1)

QC Batch:	71822	Date Analyzed:	2010-07-14	Analyzed By:	AH
Prep Batch:	61540	QC Preparation:	2010-07-14	Prepared By:	AH

Parameter	Flag	Result	Units	Reporting Limits
Sulfide		<0.00687	mg/L	0.00687

Laboratory Control Spike (LCS-1)

QC Batch:	71822	Date Analyzed:	2010-07-14	Analyzed By:	AH
Prep Batch:	61540	QC Preparation:	2010-07-14	Prepared By:	AH

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Sulfide	0.415	mg/L	1	0.400	<0.00687	104	94.5 - 112

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	LCSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit	RPD	RPD Limit
Sulfide	0.413	mg/L	1	0.400	<0.00687	103	94.5 - 112	0	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Matrix Spike (MS-1) Spiked Sample: 237287

QC Batch: 71822 | Date Analyzed: 2010-07-14 | Analyzed By: AH
Prep Batch: 61540 | QC Preparation: 2010-07-14 | Prepared By: AH

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Sulfide	0.534	mg/L	1	0.400	<0.00687	134	10 - 159

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	MSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit	RPD	RPD Limit
Sulfide	0.521	mg/L	1	0.400	<0.00687	130	10 - 159	2	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Standard (ICV-1)

QC Batch: 71822 | Date Analyzed: 2010-07-14 | Analyzed By: AH

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Sulfide		mg/L	0.400	0.407	102	85 - 115	2010-07-14

Standard (CCV-1)

QC Batch: 71822 | Date Analyzed: 2010-07-14 | Analyzed By: AH

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Sulfide		mg/L	0.400	0.419	105	85 - 115	2010-07-14

LAB Order ID # 10070930

COC # KEY-7-8-10

Page 1 of 1

TraceAnalysis, Inc.

email: lab@traceanalysis.com

6701 Aberdeen Avenue, Suite 9
Lubbock, Texas 79424
Tel (806) 794-1296
Fax (806) 794-1298
1 (800) 378-1296

5002 Basin Street, Suite A1
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Tel (432) 689-6301
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200 East Sunset Rd., Suite E
El Paso, Texas 79922
Tel (915) 585-3443
Fax (915) 585-4944
1 (888) 588-3443

BioAquatic Testing
2501 Mayes Rd., Ste 100
Carrollton, Texas 75006
Tel (972) 242-7750

Company Name: KEY ENERGY
Phone #: 1-505-715-2809
Address: (Street, City, Zip) 5651 US Hwy 64 87401
Fax #:
Contact Person: WAYNE PRICE - PRICE LLC
E-mail: WAYNEPRICE77@EARTHLINK.NET
Invoice to:
(If different from above)
Project #: H2S CHECK
Project Name: INJ WATER
Project Location (including state): FARMINGTON NM
Sampler Signature:

ANALYSIS REQUEST
(Circle or Specify Method No.)

LAB # (LAB USE ONLY)	FIELD CODE	# CONTAINERS	Volume / Amount	MATRIX: WATER	SOIL	AIR	SLUDGE	PRESERVATIVE METHOD: HCl	HNO_3	H_2SO_4	NaOH+ZnAc	ICE	NONE	SAMPLING: DATE	TIME
237175	INJ WATER	1	250 mL										X	7-8-10	2:48 pm
	INJ "	1	250 mL								X			7-8-10	2:48 pm

LAB #	MTBE 8021 / 602 / 8260 / 624	BTEX 8021 / 602 / 8260 / 624	TPH 418.1 / TX1005 / TX1005 Ext(C35)	TPH 8015 GRO / DRO / TVHC	PAH 8270 / 625	Total Metals Ag As Ba Cd Cr Pb Se Hg 6010/200.7	TCLP Metals Ag As Ba Cd Cr Pb Se Hg	TCLP Volatiles	TCLP Semi Volatiles	TCLP Pesticides	RCI	GC/MS Vol. 8260 / 624	GC/MS Semi. Vol. 8270 / 625	PCB's 8082 / 608	Pesticides 8081 / 608	BOD, TSS, pH	Moisture Content	Cl, Fl, SO4, NO3, NO2, Alkalinity	Na, Ca, Mg, K, TDS, EC		Turn Around Time if different from standard	Hold
237175																			X	H_2S PRESERVED		
																				H_2S PRESERVED		

Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	
Wayne Price	KEY	JULY 7-8-10	3:45 pm	Carol Fox	Trace	7-9-10	12:50	INST IR OBS 3.4 °C COR 3.0 °C
								INST ____ °C OBS ____ °C COR ____ °C
								INST ____ °C OBS ____ °C COR ____ °C

LAB USE ONLY

Intact Y N
Headspace Y / N NA
Log-in-Review

REMARKS:
INJ WATER COLLECTED FROM PUMP SUCTION

Dry Weight Basis Required
TRRP Report Required
Check If Special Reporting Limits Are Needed

Submittal of samples constitutes agreement to Terms and Conditions listed on reverse side of C. O. C.

Carrier # FED-EX 872324013283

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Thursday, November 19, 2009 7:45 AM
To: 'Bob Patterson'; 'Dan Gibson'; 'Schmaltz, Randy'; 'Moore, Darrell'; 'Lackey, Johnny'
Cc: Sanchez, Daniel J., EMNRD; VonGonten, Glenn, EMNRD; Griswold, Jim, EMNRD
Subject: UIC Class I Disposal Well Annual Report Schedule for Submittal & Content REMINDER- 2010
Attachments: Class I Disposal Well Annual Report Tracking 2010.xls; 19.15.11 NMAC.doc

Gentlemen:

Good morning. You may recall an e-mail message from me this past Summer alerting you to the reporting provision of your current discharge permit (permit) and how the New Mexico Oil Conservation Division (OCD) is stepping up its efforts to track reporting under issued permits.

Please find attached a spreadsheet listing the dates that OCD expects to receive your Annual Reports and/or any reporting requirements from your permit. If you are an operator with limited reporting requirements based on your permit, you are welcome to follow the format and content required from more recent permit renewals issued by the OCD, which are more comprehensive and constitute a report, Any renewed permits will likely require similar content anyway.

You will notice that a Hydrogen Sulfide Contingency Plan (CP) (see attached 19.15.11 NMAC Regulations) has been written into a couple of new Navajo Refining Company permits. This regulation became effective on December 1, 2008 and applies to any facility or well where the hydrogen sulfide concentration is at or greater than 100 ppm. Consequently, if your facilities meet or exceed this concentration, you are required to have an H2S CP for your facility regardless of whether the OCD has required it in your permit. The OCD believes that all UIC Class I Disposal Well Facilities require an H2S CP; therefore, the OCD is requesting your H2S CP(s) by Wednesday, March 31, 2010, unless a different date for submittal is specified in your permit. Also, if you are an operator with multiple wells, you may develop one CP, but you must address each well location with site specific details in that one CP.

Please plan on meeting the Annual Report submittal dates in January of 2010 as failure to submit the report will constitute a violation under the Federal Underground Injection Control (UIC) Program and reporting to the United States Environmental Protection Agency, which could result in the shut-in and/or plug and abandonment of your Class I disposal well. Failure to meet the H2S CP requirement may also result in the shut-in of your well operations; consequently, the OCD is hopeful you will satisfy the regulations pertaining to this deadly gas.

Please contact me if you have questions. Thank you in advance for your cooperation in this matter.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: http://www.emnrd.state.nm.us/ocd/index.htm
(Pollution Prevention Guidance is under "Publications")

CC: UIC Class I Well File "Annual Reporting" and "H2S Contingency Plan"